



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-884]

Countervailing Duty Investigation of Glycine from India: Affirmative Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers and exporters of glycine from India during the period of investigation (POI), January 1, 2017, through December 31, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Davina Friedmann or Julie Geiger, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-0698 and (202) 482-2057, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 4, 2018, Commerce published in the *Federal Register* the *Preliminary Determination* in the countervailing duty (CVD) investigation of glycine from India, which aligned the final determination in this CVD investigation with the final determination in the companion antidumping duty (AD) investigation of glycine from India.¹ A summary of the

¹ See *Glycine from India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 83 FR 44859 (September 4, 2018) (*Preliminary Determination*), and accompanying Memorandum, “Decision Memorandum for the Affirmative Preliminary Determination: Countervailing Duty Investigation of Glycine from India,” dated August 27, 2018.

events that occurred since Commerce published the *Preliminary Determination* may be found in the Issues and Decision Memorandum that is dated concurrently with this determination and hereby adopted by this notice.²

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.³ If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. Accordingly, the revised deadline for the final determination is now April 24, 2019.

Period of Investigation

The POI is January 1, 2017, through December 31, 2017.

Scope of the Investigation

The product covered by this investigation is glycine from India. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

We invited parties to comment on Commerce's Preliminary Scope Decision Memorandum.⁴ Commerce has reviewed the briefs submitted by interested parties, considered

² See Memorandum, "Issues and Decision Memorandum for the Final Determination of the Countervailing Duty Investigation of Glycine from India," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ See Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

⁴ See Memorandum, "Glycine from India, Japan, the People's Republic of China and Thailand: Scope Comments Decision Memorandum for the Preliminary Determinations," dated August 27, 2018 (Preliminary Scope Decision Memorandum).

the arguments therein, and has made no changes to the scope of the investigation. For further discussion, *see* Commerce's Scope Comments Final Decision Memorandum.⁵

Analysis of Comments Received

All issues raised in the parties' briefs are addressed in the Issues and Decision Memorandum, dated concurrently with, and hereby adopted by, this notice. A list of issues addressed is attached as Appendix II to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>; the Issues and Decision Memorandum is available to all parties in the Central Records Unit (CRU), Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Methodology

Commerce conducted this investigation in accordance with section 701 of the Tariff Act of 1930, as amended (the Act). For each subsidy program found countervailable, Commerce determines that there is a subsidy, *i.e.*, a financial contribution by an "authority" that gives rise to a benefit to the recipient, and that the subsidy is specific.⁶ For a full description of the methodology underlying our final determination, *see* the Issues and Decision Memorandum.

Verification

⁵ *See* Memorandum, "Glycine from India, Japan, the People's Republic of China and Thailand: Scope Comments Decision Memorandum for the Final Determinations," dated April 24, 2019 (Scope Comments Final Decision Memorandum).

⁶ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

As provided in section 782(i) of the Act, in September and October 2018, we conducted verification of the information reported by the Government of India, mandatory respondents Kumar Industries, India (Kumar) and Paras Intermediates Private Limited (Paras), as well as Avid Organics, Private Limited (Avid), for use in the final determination. We used standard verification procedures, including an examination of relevant accounting records and original source documents provided by the respondents.⁷

Changes Since the Preliminary Determination

Based on our analysis of comments received, as well as minor corrections and additional items discovered at verification, we made certain changes to the respondents' subsidy rate calculations set forth in the *Preliminary Determination*. As a result of these changes, we have also revised the "all-others" rate. For a discussion of these changes, *see* the Issues and Decision Memorandum and the Final Calculation Memoranda.⁸

All-Others Rate

In accordance with section 705(c)(1)(B)(i)(I) of the Act, Commerce calculated a countervailable subsidy rate for the individually examined exporters/producers of subject merchandise. Section 705(c)(5)(A) of the Act provides that Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount

⁷ See Memorandum, "Countervailing Duty Investigation of Glycine from India; Verification of Verification of Paras Intermediates Private Limited," dated November 23, 2018 (Paras Verification Report); *see also* Memorandum, "Countervailing Duty Investigation of Glycine from India; Verification of the Questionnaire Responses Submitted by the Government of India," dated December 11, 2018 (GOI Verification Report); Memorandum, "Countervailing Duty Investigation of Glycine from India; Verification of Kumar Industries, India Questionnaire Responses," dated December 11, 2018 (Kumar Verification Report); Memorandum, "Countervailing Duty Investigation of Glycine from India; Verification of Avid Organics Pvt. Ltd. Questionnaire Responses," dated December 13, 2018 (Avid Verification Report).

⁸ See Memoranda, "Final Determination of Countervailing Duty Investigation of Glycine from India: Calculation Memorandum for Kumar Industries, India," "Final Determination of Countervailing Duty Investigation of Glycine from India: Calculation Memorandum for Avid Organics Pvt. Ltd.," and "Final Determination of Countervailing Duty Investigation of Glycine from India: Calculation Memorandum for Paras Intermediates Private Limited," each dated concurrently with this notice (Final Calculation Memoranda).

equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates, and any rates based entirely under section 776 of the Act. In this investigation, we calculated individual estimated countervailable subsidy rates for Kumar and Paras that are not zero, *de minimis*, or based entirely on facts available. Because we do not have publicly ranged data from all company respondents with which to calculate the all-others rate using a weighted-average of individual estimated subsidy rates, pursuant to our practice,⁹ we calculated a simple average of the two responding companies' rates.

Final Determination

Commerce determines that the following final countervailable subsidy rates exist for this investigation:

Company	Subsidy Rate (percent)
Kumar Industries, India	6.99
Paras Intermediates Private Limited	3.03
All Others	5.01

Disclosure

Commerce intends to disclose to interested parties the calculations performed in connection with this final determination within five days of any public announcement of our final determination in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination*, and pursuant to sections 703(d)(1)(B) and (2) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation

⁹ See, e.g., *Countervailing Duty Investigation of Fine Denier Polyester Staple Fiber from the People's Republic of China: Final Affirmative Determination*, 83 FR 3120, 3121 (January 23, 2018).

of all entries of merchandise under consideration from India that were entered or withdrawn from warehouse, for consumption, on or after September 4, 2018, the date of publication of the *Preliminary Determination* in the *Federal Register*. In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after January 2, 2019, but to continue the suspension of liquidation of all entries from September 4, 2018, through January 1, 2019.

If the U.S. International Trade Commission (the ITC) issues a final affirmative injury determination, we will issue a CVD order and will reinstate the suspension of liquidation under section 706(a) of the Act and will require a cash deposit of estimated countervailing duties for such entries of subject merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated, and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our final determination. Because Commerce's final determination is affirmative, in accordance with section 705(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of glycine, no later than 45 days after this final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated and all cash deposits posted will be refunded. If the ITC determines that such injury does exist, Commerce will issue a countervailing duty order directing

CBP to assess, upon further instruction by Commerce, countervailing duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

This notice will serve as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of propriety information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination is issued and published in accordance with sections 705(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: April 24, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is glycine at any purity level or grade. This includes glycine of all purity levels, which covers all forms of crude or technical glycine including, but not limited to, sodium glycinate, glycine slurry and any other forms of amino acetic acid or glycine. Subject merchandise also includes glycine and precursors of dried crystalline glycine that are processed in a third country, including, but not limited to, refining or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the in-scope glycine or precursors of dried crystalline glycine. Glycine has the Chemical Abstracts Service (CAS) registry number of 56-40-6. Glycine and glycine slurry are classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2922.49.43.00. Sodium glycinate is classified in the HTSUS under 2922.49.80.00. While the HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
 - II. Background
 - III. Scope of Investigation
 - IV. Scope Comments
 - V. Changes from the Preliminary Determination
 - VI. Subsidies Valuation Information
 - VII. Analysis of Programs
 - 1. Duty Drawback Program
 - 2. Merchandise Export from India Scheme
 - 3. Export Promotion of Capital Goods Scheme
 - 4. Status Holder Incentive Scrip Scheme
 - 5. Land for Less than Adequate Remuneration
 - 6. State Government of Gujarat Water Supply Program
 - VIII. Discussion of the Issues
 - Comment 1: Commerce's Reliance on Past Determinations
 - Comment 2: Calculation of Kumar's Subsidy Rate
 - Comment 3: Land for Less Than Adequate Remuneration by the Gujarat Industrial Development Corporation
 - Comment 4: Duty Drawback Program Countervailability
 - Comment 5: Export Promotion of Capital Goods Scheme Countervailability
 - Comment 6: Status Holder Incentive Scrip Program Countervailability
 - Comment 7: Merchandise Exporter Incentive Scheme Countervailability
 - Comment 8: State Government of Gujarat Water Supply Program Countervailability
 - IX. Recommendation
- [FR Doc. 2019-08830 Filed: 4/30/2019 8:45 am; Publication Date: 5/1/2019]